1 UNITED STATES OF AMERICA FOR THE NORTHERN DISTRICT OF OHIO 2 EASTERN DIVISION 3 4 5 IN RE: NATIONAL PRESCRIPTION OPIATE LITIGATION 6 Case No. 1:17-MD-2804 THIS DOCUMENT RELATES TO: 7 Case Track 3 Honorable 8 Dan A. Polster 9 10 11 TRANSCRIPT OF PROCEEDINGS VIA TELECONFERENCE 12 BEFORE JUDGE DAN A. POLSTER, JUDGE OF 13 SAID COURT, ON WEDNESDAY, JUNE 2ND, 2021, 14 COMMENCING AT 1:00 O'CLOCK P.M. 15 16 17 GEORGE J. STAIDUHAR Court Reporter: 801 W. SUPERIOR AVE., 18 SUITE 7-184 CLEVELAND, OHIO 44113 19 (216) 357-7128 20 21 22 23 24 25

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PROCEEDINGS

JUDICIAL ASSISTANT: Judge, do you want a roll call or --

THE COURT: No. That's okay.

All right. Good afternoon. This is our monthly Track 3 status call. I appreciate the status report that was filed the other day. There are a few things I want to cover.

First, I want to talk about the jurors for our October trial. I wanted to put out the possibility that we pick only jurors who have been vaccinated. It strikes me that everyone else who is going to be in that courtroom daily I am sure will be vaccinated.

I am sure all the lawyers will be vaccinated, the Court staff will be vaccinated, most of the witnesses, but again, the witnesses are going to be in and out. The people that have been here daily have been vaccinated. I see no reason not, you know, no reason to pick jurors who have not been vaccinated.

First, they are potentially putting people at risk, but also, I think it is far more likely we will get jurors to be willing to serve for five, six weeks, whatever, if they know that the other jurors who they will be with each day have been vaccinated because my hope is that I will be able to operate normally in this

trial;

That I will be able to use the jury box and my deliberation room and pick the jury in my courtroom.

It seems to me we can do that far more readily if we simply pick jurors who have been vaccinated.

And obviously, we will be on the honor system, but I don't think too many people will lie about vaccination to get on the jury. So I am throwing that out, you know, if anyone has any thoughts, but it seems to me that's something lawyers should talk among themselves if there is — I can probably impose that requirement myself, but I would rather have agreement on it.

MR. IANTER: Your Honor, Mark Lanier for the Plaintiffs. I guess the main trial lawyer on this, and it falls in my lap. While others may throw rocks at me, I agree a hundred percent, and I will stick my neck out and say that the Plaintiffs will agree.

THE COURT: Okay. Thanks, Mark.

MR. STOFFEIMAYR: Judge, Kaspar Stoffelmayr.

Obviously, I had the same thought at one point and

certainly understand the appeal. There is something

about it that I will say just kind of feels odd.

What if there is somebody because of a medical condition who wasn't able to get vaccinated, are

they -- is it proper for them to be excluded? I don't know the answer to any of these questions. I would just ask that the Court not make a rush decision and give it time to think it through.

THE COURT: No, I wasn't -- Kaspar, I was not demanding the decision today. It is not so much excluding but -- well, I would not think that someone that has a medical condition and can't be vaccinated would want to be around a crowd everyday for five or six weeks.

MR. STOFFELMAYR: Yeah. I understand completely.

THE COURT: We can't use that person. I would excuse that person.

MR. STOFFELMAYR: Right.

THE COURT: We all would. I mean, that's a no brainer. So I got to think that person when they get — we are going to follow the same procedures we did two years ago, two years, send out summons to about a thousand people inquiring about their willingness and availability to, you know, serve in a trial that could go five, six, seven weeks, whatever, starting October the 4th.

And a whole lot of people obviously will say no. But I was thinking in that summons I want to be able

to say something about what the protocols are going to be in the trial, and if we are only going to have jurors who are vaccinated, I would put that in there, and I think the summons will probably go on, summons inquiry, whatever, to the initial thousand people around July 23rd. So you got a little time, but I thought I would raise it.

MR. STOFFELMAYR: Thank you, Judge.

THE COURT: One, you talk about it, and I -I think it is the sensible thing to do. So you can talk
about it and get back to Special Master Cohen with your
thoughts. All right.

So again, my plan is to have the jury department send out those initial summons inquiries around July 23rd, and we will send the detailed questionnaire around August 23rd, the ones, the jurors who say they are available, willing and able to serve for a lengthy trial will get the detailed questionnaire and that's — I think I looked at the schedule — that's due to Special Master Cohen July the 10th. I will go through it, we will finalize it, and that will go out in August.

All right. These are things I wanted to cover.

What I am calling the zero market share cases, the Plaintiffs filed a report today, and it shows

that things are moving along, and a number of cases have been dismissed or will be dismissed shortly.

I guess the only thing that was a little vague was the last one, Plaintiffs' counsel continued to analyze the causes for Giant Eagle.

My guess is there are far fewer cases involving Giant Eagle because they are only in Ohio. So there are not many, but is there a particular problem with Giant Eagle or just that there are a lot fewer cases, so there is not much to report.

MR. WEINBERGER: Your Honor, this is Peter Weinberger. We are not giving Giant Eagle priority. We are just -- we are just sorting through it.

THE COURT: Okay. They are only in Ohio, so there are fewer cases. All right.

MR. BARNES: Also, your Honor, this is
Bob Barnes, Giant Eagle, there is one case and one case
only, and that's filed by Pete's firm in April, was filed
by Pete's firm in late 2018. We asked to be dismissed in
mid April, and that was the subject of back and forth
e-mails, so there is only one case is my point.

THE COURT: All right. There is only one case, so fine.

MR. WEINBERGER: And I can report subject to some finalization of discussions, it probably occur.

THE COURT: Okay. Fine. Thank you.

MS. MOORE: Your Honor, this is Kelly Moore for Rite Aid. So the status report does indicate that Plaintiff intends — it has been two months, and so far you can see from our status report very few have been dismissed and even fewer with prejudice as the Court directed or ordered I should say.

And the status report the Plaintiffs filed indicates there are hundreds of cases that Plaintiffs have — has said that they intend to pursue despite the lack of market share. I don't think that's consistent with the Court's order or the intent of the Court's order.

And I think when this was last discussed on April 7th, the Court indicated if it had to it would issue an order to show cause for why Plaintiffs are refusing to dismiss those cases with prejudice, and once again, I know that the status report indicates there is some movement, but there is obviously hundreds of cases where Plaintiffs have gotten back to the PEC and said they do not intend to dismiss the cases.

MR. WEINBERGER: So Kelly, if I can respond, your Honor, Weinberger for the record --

THE COURT: Yes.

MR. WEINBERGER: I don't know exactly what

1 you are reading, and I know you just got it this morning, 2 but here is what it says. We have received responses 3 noting that 141 cases will be dismissed, and an 4 additional 64 will be dismissed subject to client 5 It goes on to say that 37 cases are being approval. 6 fully further investigated while 70 Plaintiffs intend to 7 pursue their claims against Rite Aid. So there are --8 MS. MOORE: And so --9 MR. WEINBERGER: Wait, wait. Wait a minute. 10 So we have not -- I know there is more than 11 that on your list, and we have reached out to all of the 12 Plaintiffs' counsel on that list, and clearly, we haven't 13 heard back from everyone, but we are continuing to work 14 through that. 15 So I don't think. 16 MS. MOORE: But I --17 MR. WEINBERGER: Can I finish, please? 18 THE COURT: Let him finish. 19 MR. WEINBERGER: So I don't think there is 20 any reason for any show cause motions or orders to be 21

any reason for any show cause motions or orders to be issued at this point. I can tell you that I and my office, particularly Sheila, my able assistant, is continually communicating with the lawyers on those cases out there and asking for information, and I think you can see from our report that we've made progress.

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It has been 60 days, but you know, there is a lot that has to go into the decisions by each OF these Plaintiffs' counsel in consultation with their clients before decisions are made on these cases, and I think what I've laid out in the first paragraph of my report is that, you know, there are — there is additional information that, if we had it, we could be, say, more timely in deliberating on what exactly it is that these lawyers, the Plaintiffs' lawyers, are going to do. I think we have shown progress, and I will just leave it at that.

THE COURT: All right. Look, progress is being made. This is complicated. I am not going to issue any further orders. It is moving ahead, but trust me, I am not just — if at the end of this process the PEC reports that hundreds of cases are proceeding against Defendants with zero market shares in that county, that isn't going to stick, fit.

I am going to require some specific showing from the Plaintiffs in those cases why they are proceeding, and I will have to evaluate it. So this is just the first cut. Just so we understand, just because a lawyer comes back and says we want to proceed, you can't just accept that on face value.

They are going to have to make a showing as

to why, as to what is their basis for proceeding against a pharmacy that has zero market share in that county.

Now, if there is a large market share in a neighboring county and the stores are close, well, okay. That would be a good reason. So I will just let that — we will let that continue.

MR. WEINBERGER: Your Honor, thank you.

If I can just add to the mix here, I can't emphasize enough, and I have had these kind of conversations with counsel from all over the country, the difficulty in assessing on behalf of a particular client, this market share issue when the dispensing data has not been produced.

I think I've laid out in our report the difficulty of analyzing the situation just based upon Arco's data because it doesn't provide us information to whom and — to whom the customer was dispensed and where that customer lived or resided, which is, as the Court knows from just seeing what has been developed in CT 3 the importance of the dispensing data to issues associated with market share, contribution to the epidemic, and other issues.

And as I suggested in my report, in terms of any Plaintiff, any Plaintiffs' counsel, whether they are within the PEC or outside of the PEC, fairly evaluate a

county where, let's just say a Wal-Mart does not exist geographically within the county and Wal-Mart's involvement in terms of dispensing pills from outside the county, from stores outside the county to customers within the county without the dispensing data, which the Defendants all have is — it is a difficult task and to some extent un fair to Plaintiffs' counsel and to that client whose case has been stayed if they are in the MDL, who cannot make a request for the dispensing data, other than whatever request the PEC makes on behalf of the entire MDL.

And we haven't revisited that subject, which we originally filed a motion on, you know, six or eight months ago, but we may come to a point on behalf of the Plaintiffs in the MDL where we have to renew that motion if we get — if these Plaintiffs are getting pushed to make decisions that — where they need this information.

THE COURT: All right. Well, it may be that I will have to either, you know, let it go or selectively direct the Defendants to submit dispensing data for those counties if they want the case dismissed.

MR. STOFFELMAYR: Your Honor, may I respond? It is Kelly Moore.

THE COURT: Yeah. All right. But I don't

want to spend a lot of time on this, but go ahead, Kelly, I just --

MS. MOORE: But what the Plaintiffs appear to be saying, they know they have not adequately pled these cases, and they have not had a factual basis to do so, and they would like discovery first.

But that's not how the federal pleadings -rules regarding federal pleadings go. That's not what is
required. If they don't have a factual basis or basis to
file these complaints, they shouldn't have filed them.
They don't get to do discovery first.

Furthermore, on the issue of nationwide dispensing data, which they are seeking to pursue a migration theory, that is not the way they perceive these cases. The entire cases and how they work them up is based on Arco's data. Their assessment of what market share is is based on chill Phipps' jurisdiction, not where those pills went thereafter. That's what they base market share on.

So to switch gears and say we need nationwide dispensing data, they wouldn't just need it for a particular Defendant. That's only to get them the enumerator. To get the denominator for that new database, they would need dispensing data from every pharmacy in the entire country for all of the nationwide

dispensing data to figure out what your new denominator is.

And that's just not the way they have been doing these cases. They can't have it both ways and rely on Arco's data when they give the market share and then say no, we need discovery to actually plead a case before they do.

MR. WEINBERGER: Your Honor, we are happy, I don't want -- you know, I don't want the waste the Court's time -- we are happy to -- you know, if it calls for a renewed motion, we will do it.

We are happy to brief this issue because I couldn't disagree more strongly with Ms. Moore about how she is couching what we base cases on or what we base market share on.

With respect to the dispensing obligations and liability, it has always been based upon dispensing data, which is why we wanted the national dispensing data in the first place, but we are happy to brief this issue.

THE COURT: I have neither the time nor the interest in wading into this. I thought we would try to clean up some of these pleadings. If we can do it, fine. If it is going to be just too big a production, you know, considering these case aren't being litigated and who

1 knows when and if they will be litigated, we won't. 2 we will just see how this continues. 3 All right. The CMO for the five bellwethers 4 was due tomorrow. There was some correspondence that 5 came in today that I started looking at. The Defendants 6 wanted some additional time until next Wednesday, the 7 9th. You know, another week doesn't seem to be -- the 8 world is not going to end if you have another week. 9 MS. TABACCHI: Thank you, your Honor. 10 Tina Tabacchi from Jones Day. We appreciate that, your 11 Honor. 12 THE COURT: So I will extend it to July --13 to June -- what is June --14 MS. TABACCHI: It was June 9th, your Honor. 15 That was next Wednesday. 16 THE COURT: All right. June 9th. All 17 right. 18 MS. MORALES: Your Honor, Paulina Morales in 19 regards to the Plaintiffs. Just one note on that, one of 20 the reasons why we were in discussions on this point was 21 because the briefing schedule with the CT 3 dispositive 22 and Daubert motions, our efforts have been to try and 23 schedule these motions to dismiss so they don't overlap 24 with that.

So our hope is that we can reach agreement

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with the Defendants to --

THE COURT: Rightfully so, and I am directing the parties to enter into stipulations. We don't need the same issues briefed. I mean, just enter a stipulation that the Defendants in these five cases would make the same arguments they made in CT 3, and the Plaintiffs would do the same thing, and the Court would issue the same ruling. So we only -- I only am going to entertain motions to dismiss on new grounds or new theories.

MS. MORALES: Thank you, your Honor.

THE COURT: And I got -- if the pharmacy

Defendants will commit to June 23rd as the deadline to

file motions to dismiss in Montgomery, Ohio, I take it

this is on some new ground. It wasn't raised in Track 3.

Is that correct?

MS. MORALES: We understand your rulings, your Honor. There are a number of new Defendants that have been included in these cases, and there may be some personal jurisdiction arguments or other motions to dismiss.

But we understand the rulings that you've set out and your request that we not rehash issues that you ruled on, and we will work towards an objective to that end as we set the schedule for these cases.

1 THE COURT: Okay. 2 MS. MORALES: Your Honor, we would ask if 3 the date could be June 18th to avoid the overlap with the 4 CT 3 briefing. 5 MS. MOORE: Your Honor, I am just requesting 6 that we get an opportunity to exchange these schedules 7 and work with Special Master Cohen to work out a 8 particular date. 9 THE COURT: The only thing I'm extending is 10 the June 3rd to June 9th. All right? 11 MS. MORALES: Understood. 12 THE COURT: Now, while we are on that, the 13 Defendants opposed the Plaintiffs' motion to bifurcate. 14 Let me go back before I get to that. 15 The motion to strike, the Defendants filed a 16 motion to strike reference to millions of other 17 prescriptions, and one of the experts Plaintiffs opposed, the Defendants replied. I agree with the Defendants. 18 19 You can't refer to these millions of other prescriptions. 20 However, I am going to caution the 21 Defendants if somehow in your cross examination of the 22 Plaintiffs' expert or in your case you somehow open the 23 door, the Plaintiffs can seek approval from me to make 24 reference to these other prescriptions. 25

So you know, I am not -- I am saying the

Plaintiffs and their experts can't refer to them in their case in chief, but you know, I have no idea what kind of cross examination is going to be and what kind of defense the Defendants are going to put on.

And if they somehow open the door and the Plaintiffs make that argument to me and I agree, then they can, you know, they can use that, but I am not going to allow the experts to talk about prescriptions beyond the -- I can't remember the exact number, 884,000, whatever it is you are limited to.

MR. LANIER: Your Honor, Mark Lanier for the Plaintiff. We understood that to be exactly what you told us already, and we will abide by that.

I will represent to you on the record right now that will not come out in our case in chief. We will not be using those numbers. They are simply there as that math because who knows what the Defendants may wind up doing.

And if it comes up, I would obviously approach the bench, and I would make my case for you to allow me if it has opened the door, but I will not be affirmatively offering that into evidence. I understand your ruling a hundred percent.

THE COURT: All right.

MS. SWIFT: Your Honor, this is Kate Swift

for Walgreens if I may respond.

THE COURT: All right.

MS. SWIFT: As we understand what Plaintiffs are trying to do with these millions of additional prescriptions, they are not distinguishable from the 884,000 that they claim caused them harm, and therefore, we do not understand how they could ever be proper rebuttal.

THE COURT: I am not -- I don't know if they could be, but I am not saying that there is no possible scenario where they couldn't be. They are not coming in in the Plaintiffs' case in chief, but Defendants have to understand, I don't know what cross examination you are going to do or what kind of defense you are going to put on.

MS. SWIFT: I understand.

THE COURT: And if Plaintiffs argue that you opened the door or somehow made them relevant, I will certainly entertain the argument, and they might be right. So that's all I am saying now.

MS. SWIFT: Thank you, your Honor.

THE COURT: All right. The motions to bifurcate, Defendants have opposed -- candidly, I don't understand the Defendants' argument, the suggestion that I leave all these other Defendants and maybe other --

other Defendants in the cases, these five cases, and letting the five other judges ultimately decide who is going to be in or out makes no sense because I will be the one who is supervising discovery and motions to dismiss.

And everyone needs to know who is in the case now, who is going to be doing the discovery and who can file a motion.

So that has to be decided at the outset, and we -- I imagine the MDL, and at the moment the only entities, the only entities who have not settled or are not actively trying to negotiate settlements are the pharmacies.

So the bellwethers are needed for the pharmacies, and that's why I set up and structured it that way. So I am going to grant the Plaintiffs' motions.

Everyone understands that, you know, if the Plaintiffs are only going on one or two theories, that's the only theories they are going to be able do, they can't come back and have another bite at the apple against these Defendants with different theories.

As to Defendants who are dismissed without prejudice, basically, they are still in the case for global settlement purposes, but there is not any real

likelihood there will ever be a separate trial against them, but they are still there just dismissed without prejudice.

So the whole purpose was to have bellwethers against the pharmacies, and we are including, you know, what I will call local or regional pharmacies if the Plaintiffs want to have them, these bellwethers. It is up to them.

So as I just mentioned, it is only the pharmacies who in this MDL, who don't seem to be interested in exploring resolution and they don't want me to be involved at all, I respect that.

So it makes it difficult for me to decide how to manage the MDL and how to proceed. I can only guess or speculate and make my best decision as I can, and I don't get any information or feedback from the pharmacies.

I have a lot of feedback from the Plaintiffs' lawyers because I am talking to them all the time, not about resolving these cases but resolving other ones.

So I understand a lot about how they are looking at this MDL, how they look at cases, what their approach is. I can only guess or speculate as to the pharmacies.

You know, Wal-Mart -- I will share what the pharmacies and, you know, on the record here, my guess, my speculation, and if you want to tell me I am wrong, that's okay. If not, you ought to know what I'm thinking.

Wal-Mart has enough money to litigate for a hundred years. Wal-Mart can litigate these cases for the next hundred years and still be one of the biggest companies, if not one of the largest companies in the country, if not the largest in the world. So they are going to be here.

And Wal-Mart is going to the mat against the Department of Justice pretty hard, and they can do that. Everyone understands that the Department of Justice has one big stick that no one else has, which is, well, they have got to approve the DEA license.

And a pharmacy without DEA license isn't much of a pharmacy, but Wal-Mart is going to be Wal-Mart, whether they are in the pharmacy business or not. They could — other pharmacies could be shut down, and that's just a drop in the bucket for Wal-Mart. So they are in a class of their own. The other pharmacies are not.

All you are is pharmacies, and none of the other pharmacies have the kind of resources Wal-Mart has. Wal-Mart may figure, well, they are litigating, and

eventually, the other pharmacies go out of business, and they will be the only one in the country. So -- but the other pharmacies are in a different posture.

So all I can do is keep raising this, and if anyone is interested in trying to resolve their case and they want my help, they can contact me or Special Master Cohen, but in the absence of anything, I just have to assume that the pharmacies intend to keep litigating these cases until they drop or the Plaintiffs drop, you know, drop by obviously — if pharmacies win all the cases, eventually, the Plaintiffs say "all right. We give up, and we will just proceed against everyone else."

But if that doesn't happen, well, it is who drops first. So that's why we have to keep having bellwethers. You know, at some point if that's what is happening, there won't be any reason to keep the MDL. I will just remand all the cases. There won't be anything further for me to do.

So I am suggesting, if I am reading the pharmacies wrong and they are interested in sharing anything with me, you can always contact me or Special Master Cohen. Otherwise, I will just have to manage the MDL and this track as best I can.

So I think I covered everything other than setting a date for the next status conference that I had

1 on my list.

Is there anything else that I've missed or that someone wants to bring up?

MR. WEINBERGER: Your Honor, this is Peter Weinberger. I just noted this is partly my fault. I just noted that our status report, which we recently filed, shows that it is a joint status report as of May 6th, 2021, and obviously, it is a status report as of June 1, 2021.

So I just wanted to make that correction for the record.

THE COURT: Okay. Well, oh, I see, in the headlines. Sure. I just jumped right over it.

Obviously, it was June 1, thank you.

MR. WEINBERGER: I did too, your Honor.

THE COURT: All right. Okay. How is Wednesday, July the 7th at 1:00 o'clock. We have been going in the first or second Wednesday of the month. I have got a couple of mediations that day, but I have got one in the morning and one starting at 1:30.

And I thought if that works for everyone, we will do it at 1:00 o'clock on Wednesday, the 7th.

Wednesday seems to be a good day. So that would make the status reports due Tuesday at noon. That's the day after July 4th. I guess the other -- yeah. The following week

1 I've got a criminal trial that is definitely going. 2 So I would rather do it July 7th than the 3 14th, so we will just say the status report -- I mean, if you want a little -- quite frankly, I can get it at 3:00 4 5 o'clock on the 6th. That's fine. 6 MR. STOFFELMAYR: Thank you, Judge. 7 THE COURT: 3:00 o'clock on the 6th is fine. 8 I can read it in an hour or so. Okay. All right. 9 Thanks, everyone. Stay safe, and we will 10 talk to you in a month. 11 MR. WEINBERGER: Thank you, Judge. 12 (Status hearing concluded at 1:45 p.m.) 13 14 CERTIFICATE 15 I, George J. Staiduhar, Official Court 16 Reporter in and for the United States District Court, 17 for the Northern District of Ohio, Eastern Division, 18 do hereby certify that the foregoing is a true 19 and correct transcript of the proceedings herein. 20 21 s/George J. Staiduhar George J. Staiduhar, 22 Official Court Reporter 23 U.S. District Court 801 W. Superior Ave., Suite 7-184 24 Cleveland, Ohio 44113 (216) 357-712825